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**UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA**

MARTIN VALENCIA and MELANIE)	Case No.:
THOMAS, individually and on behalf of)	
similarly situated individuals,)	
)	
Plaintiffs,)	
vs.)	CLASS ACTION COMPLAINT
INVOCA, INC.,)	
)	1) Violation of Cal. Penal Code § 637.5
Defendant.)	
)	
)	
)	<u>DEMAND FOR JURY TRIAL</u>
)	

Plaintiffs Martin Valencia and Melanie Thomas (“Plaintiffs”), bring this action on behalf of themselves, and all others similarly situated against Defendant Invoca, Inc. (“Defendant” or “Invoca”). Plaintiffs make the following allegations pursuant to the investigation of their counsel and based upon information and belief, except as to the allegations specifically pertaining to themselves, which are based on personal knowledge.

NATURE OF THE ACTION

1. This action concerns customer service phone calls placed to AT&T, Inc

1 (“AT&T”) being illegally surveilled and recorded by Invoca, Inc. (“Invoca”) in
2 violation of the California Invasion of Privacy Act (“CIPA”) § 637.5.

3 2. AT&T employs a conversation intelligence software-as-a-service
4 provided by Invoca. This conversation intelligence service derives information
5 regarding the content of telephone conversations between AT&T customers and its call
6 centers. Invoca’s service records AT&T customers’ speech, transcribes it, then feeds it
7 into Invoca’s internal artificial intelligence (AI).

8 3. Once the data is classified by Invoca’s internal AI, such data is then
9 presented back to AT&T in the form of dashboards, searchable transcripts, and reports,
10 sometimes in real-time to the customer service agents speaking with the customer.
11 AT&T employs Invoca to perform such recordings and analysis for the purpose of more
12 effectively promoting their own products to current and potential customers.

13 4. As such, Invoca monitors, reads, records, learns the contents of, or
14 otherwise intercepts the conversations between AT&T’s contact centers and AT&T’s
15 callers, including current and prospective consumers. Such callers include individuals
16 who call AT&T customer service lines from California to, among other things, retrieve
17 and exchange information on AT&T telephone services, schedule in-person
18 appointments, and receive additional forms of AT&T customer support.

19 5. Moreover, Invoca has the capability to use the contents of such recorded
20 conversations for its own purposes separate from providing a recording to AT&T.
21 However, neither AT&T nor Invoca procured the consent of any person who interacted
22 with AT&T’s contact centers, prior to Invoca recording, accessing, reading, and
23 learning the contents of their conversations.

24 6. Plaintiffs bring this action to prevent Defendant from further violating
25 the privacy rights of California residents, and to recover statutory damages from
26 Defendant for failing to comply with the California Invasion of Privacy Act (“CIPA”)
27 § 637.5.
28

PARTIES

7. Plaintiff Martin Valencia is a resident of California who resides in Altadena, California.

8. Plaintiff Melanie Thomas is a resident of California who resides in La Mesa, California.

9. Defendant Invoca, Inc. is a Delaware corporation with its principal place of business in Santa Barbara, California.

JURISDICTION AND VENUE

10. This Court has subject matter jurisdiction over this action pursuant to 28 U.S.C. § 1332(d) because this is a class action where there are more than 100 members and the aggregate amount in controversy exceeds \$5,000,000.00, exclusive of interest, fees, and costs, and at least one member of the putative Class is a citizen of a state different from Defendant.

11. This Court has personal jurisdiction over Defendant because Defendant is headquartered in California and operates under the laws of California, and Plaintiffs' claims stem from Defendant's activities in California. Plaintiffs and Class Members suffered harm in California because California is where Defendant recorded their interactions.

12. Venue is proper in this District pursuant to 28 U.S.C. § 1391 because a substantial portion of the events giving rise to this action occurred in this District as Defendant is headquartered in this District and Plaintiffs' calls were recorded by Defendant through its technology in this District.

FACTUAL ALLEGATIONS

I. The California Invasion Of Privacy Act

13. CIPA was enacted "to protect the right of privacy of the people of [California]." Cal. Penal Code § 630. The California Legislature was concerned about emergent technologies that allowed for "eavesdropping upon private

1 communications,” believing such technologies “created a serious threat to the free
2 exercise of personal liberties and cannot be tolerated in a free and civilized society.”
3 *Id.*

4 14. The California Supreme Court has repeatedly stated an “express
5 objective” of CIPA is to “protect a person placing or receiving a call from a situation
6 where the person on the other end of the line *permits an outsider to tap his telephone*
7 *or listen in on the call.*” *Ribas v. Clark*, 38 Cal. 3d 355, 364 (1985) (emphasis added).

8 15. As part of CIPA, the California Legislature enacted § 637.5, which
9 prohibits any person who (a) “owns, controls, operates, or manages a satellite or cable
10 television corporation, or who leases channels on a satellite or cable system” from (1)
11 using “any electronic device to record, transmit, or observe any events or listen to,
12 record, or monitor any conversations that take place inside a subscriber's residence,
13 workplace, or place of business, without obtaining the express written consent of the
14 subscriber.” Cal. Penal Code § 637.5(a)(1). Moreover, (h) any person “receiving
15 subscriber information from a satellite or cable television corporation shall be subject
16 to the provisions of this section.” Cal. Penal Code § 637.5(h).

17 16. Individuals may bring an action against the violator of CIPA § 637.5 for
18 \$5,000 per violation. Cal. Penal Code § 637.2.

19 **II. Defendant Violates CIPA § 637.5**

20 **A. Overview of the Invoca Service**

21 17. Invoca uses artificial intelligence to “analyze phone conversations at scale
22 and unlock insights.”¹ Such insights include allowing Invoca’s customers to “measure
23 call quality, intent, and outcomes, transforming conversations into actionable data. This
24 data is crucial for optimizing marketing strategies, improving customer service, and
25 driving revenue growth.”²

26
27
28 ¹ <https://www.invoca.com/product/call-tracking-analytics>.

² *Id.*

1 18. Invoca offers a broad suite of products aimed at call recording and
2 transcription. One such product, Signal AI Studio, “uses Invoca’s advanced machine-
3 learning technology to automatically analyze phone conversations.”³ Such analysis
4 includes “if each caller was a lead, if they converted, and what product or service the
5 called from.”⁴ Invoca’s customers are then able to use such data to “make smarter
6 marketing optimizations to drive more high-value phone leads at a lower cost” and
7 utilize the Invoca product suite to further “track contact center agent performance and
8 call handling across multi-location businesses, aiding in the coaching process.”⁵

9 19. Another product, Invoca’s Call Recordings and Transcriptions, provides
10 “a searchable database of every call recording and transcript.”⁶ Such transcription is
11 powered by generative AI LLMs (large language models) that turn call recordings into
12 text with, as Invoca brags, “unmatched precision” that “identifies and extracts words
13 and terms spoken on a call, storing it in Invoca as structured, actionable data.”⁷

14 20. Invoca effectively eavesdrop upon, records, extracts data from, and
15 analyzes conversations to which they are not a party. Invoca itself is collecting the
16 content of the conversations.

17 21. That data is then analyzed by Invoca before being provided to any entity
18 that was a party to the conversation. Indeed, Invoca has the capability to use the
19 contents of conversations it collects through its product offerings for its own purposes
20 and purposes beyond simply furnishing recordings to its customers. For example,
21 Invoca can perform comprehensive analysis on the content of the calls it eavesdrops
22 upon, including identifying the category of the speaker and determining the intent of
23 the call, hence why Invoca “stores calls and call transcripts for internal queries.”⁸

25 ³ <https://www.invoca.com/product/signal-ai-studio>.

26 ⁴ *Id.*

27 ⁵ *Id.*

28 ⁶ <https://www.invoca.com/product/call-recordings-and-transcriptions>.

⁷ <https://www.invoca.com/blog/signal-ai-launch>.

⁸ <https://www.invoca.com/data-privacy-security-compliance>.

1 22. Invoca states in its Privacy Policy that it uses “Personal Data”—which
2 includes call information “including phone numbers and recordings”—to “improve,
3 operate, maintain, and, in some cases, market the Invoca Platform” and “conduct
4 internal research in order to enhance the Invoca Platform and Services.”⁹

5 23. Thus, Invoca has the capability to use the wiretapped data it collects
6 through its product suite, namely the content of the phone calls it records, to operate,
7 maintain, improve, and market its products and services.

8 **B. Invoca Wiretaps AT&T Customer Calls**

9 24. AT&T, a leading communications technology company, is an Invoca
10 customer.¹⁰ In 2018, AT&T implemented Invoca's revenue execution platform to
11 increase the number of customer service calls it tracked.¹¹ Over four years, it scaled
12 from tracking two million calls, to nearly ten million calls annually, all of which were
13 tracked by Invoca.¹²

14 25. Specifically, AT&T implemented Invoca’s advanced Signal analytics
15 capabilities, wherein AT&T created over 45 different Invoca Signals to analyze calls,
16 implementing sophisticated tools for phrase-spotting, AI-powered conversation
17 analysis, customer sentiment detection, product interest tracking, and promotional offer
18 monitoring.¹³ This granular level of analysis by Invoca provided unprecedented insight
19 into the content of the calls into AT&T’s customer service line and allowed AT&T to
20 more effectively market and sell products.¹⁴

21 26. Through AT&T’s use of the Invoca services, Invoca reads, learns,
22 monitors, and otherwise intercepts the content of communications between AT&T and
23 its customers.

24
25
26 ⁹ <https://www.invoca.com/privacy-policy>.

27 ¹⁰ <https://www.invoca.com/customers/att>

28 ¹¹ *Id.*

¹² *Id.*

¹³ *Id.*

¹⁴ *Id.*

1 27. During such calls, consumers reasonably expected that their conversations
2 with AT&T to be only between themselves and AT&T. However, both Invoca and
3 AT&T fail to inform consumers, prior to any recording, that Invoca is listening in on
4 consumers' communications with AT&T, including that the content of their
5 communications with AT&T are being recorded and analyzed by a third party.

6 28. Neither AT&T nor Invoca procured consumers' consent for the conduct
7 at issue.

8 **III. Plaintiffs' Experience**

9 29. Mr. Valencia has called AT&T's customer service line, including in or
10 around January 2023, when he spoke with AT&T regarding his telecommunication
11 services and billing information.

12 30. Ms. Thomas has called AT&T's customer service line, including in or
13 around January 2025, when she spoke with AT&T regarding her telecommunication
14 services and billing information, specifically to change her billing address.

15 31. When speaking with the AT&T contact center agents, Plaintiffs
16 reasonably expected the conversations would be only between themselves and the
17 AT&T contact center agent. Plaintiffs did not expect or have any reason to expect that
18 Invoca, a third party, was listening in on their conversations, nor did they have any
19 reason to suspect that call recording, transcription, and analysis were being provided
20 by a third party, Invoca, rather than AT&T.

21 32. Nonetheless, Invoca eavesdropped on Plaintiffs' entire conversations with
22 AT&T's contact center agents. Invoca monitored, recorded, and transcribed Plaintiffs'
23 conversations with AT&T in real-time and performed AI analysis on the content of the
24 calls. This included capturing Plaintiffs' intent and/or reason for calling, service
25 interests, conversion outcome, and tracked the words and phrases they said during the
26 conversations. Through this process, Invoca read and learned, in real-time, the contents
27 of Plaintiffs' conversations with AT&T.

28

1 33. Neither AT&T nor Invoca informed Plaintiffs prior to recording that
2 Invoca was listening in on customers' phone calls with AT&T, including that the
3 content of their phone calls with AT&T are being recorded and analyzed by Invoca.
4 Invoca and AT&T, therefore, failed to procure Plaintiffs' consent for the conduct at
5 issue.

6 34. Plaintiffs did not have any knowledge about Defendant's unlawful actions
7 at the time that they placed calls to AT&T's contact center agents and had no reason to
8 believe that their calls were being wiretapped by Invoca. Plaintiffs discovered that the
9 unlawful conduct at issue occurred only shortly before the filing of this Complaint.

10 35. Plaintiffs have, accordingly, had their privacy invaded and been exposed
11 to the risks and harmful conditions created by Invoca's violations of CIPA alleged
12 herein.

13 **CLASS ALLEGATIONS**

14 36. Plaintiffs seek certification of the following Class and Subclass:

15 The Nationwide Class: all United States residents who, within the applicable
16 statute of limitations period, called AT&T's customer service line and whose
17 conversations with AT&T were intercepted and recorded by Invoca.

18 The California Subclass: all California residents who, within the applicable
19 statute of limitations period, called AT&T's customer service line while in
20 California and whose conversations with AT&T were intercepted and recorded
21 by Invoca.

22 37. Plaintiffs will fairly and adequately represent and protect the interests of
23 the other members of the Class and Subclass. Plaintiffs have retained counsel with
24 substantial experience in prosecuting complex litigation and class actions. Plaintiffs
25 and their counsel are committed to vigorously prosecuting this action on behalf of the
26 other members of the Class and Subclass, and have the financial resources to do so.
27 Neither Plaintiffs nor their counsel have any interest adverse to those of the other
28 members of the Class and Subclass.

1 38. Absent a class action, most members of the Class and Subclass would find
2 the cost of litigating their claims to be prohibitive and would have no effective remedy.
3 The class treatment of common questions of law and fact is also superior to multiple
4 individual actions or piecemeal litigation in that it conserves the resources of the courts
5 and the litigants and promotes consistency and efficiency of adjudication.

6 39. Defendant has acted and failed to act on grounds generally applicable to
7 Plaintiffs and the other members of the Class and Subclass, requiring the Court's
8 imposition of uniform relief to ensure compatible standards of conduct toward the
9 members of the Class and Subclass, and making injunctive or corresponding
10 declaratory relief appropriate for the Class and Subclass as a whole.

11 40. The factual and legal bases of Defendant's liability to Plaintiffs and to the
12 other members of the Class and Subclass are the same, resulting in injury to Plaintiffs
13 and to all of the other members of the Class and Subclass. Plaintiffs and the other
14 members of the Class and Subclass have all suffered harm and damages as a result of
15 Defendant's unlawful and wrongful conduct.

16 41. Millions of AT&T customers have had their calls intercepted by Invoca
17 such that joinder of all members is impracticable.

18 42. There are many questions of law and fact common to the claims of
19 Plaintiffs and the other members of the Class and Subclass, and those questions
20 predominate over any questions that may affect individual members of the Class and
21 Subclass. Common questions for the Class and Subclass include, but are not limited
22 to, the following:

- 23 (a) Whether Defendant recorded Plaintiffs' and the Class' and Subclass'
24 phone calls with AT&T;
25 (b) Whether Defendant obtained valid express written consent to perform
26 such recording;
27 (c) Whether Defendant's conduct constitutes a violation of Cal. Penal Code §
28 367.5;

1 (d) Whether Defendant’s conduct constitutes an invasion of privacy;

2 (e) Whether Plaintiffs and the Class and Subclass are entitled to monetary
3 and/or restitutionary and/or injunctive relief or other remedies, and, if so,
4 the nature of such remedies.

5 **FIRST CAUSE OF ACTION**

6 **Violation of the California Invasion of Privacy Act**

7 **Cal. Penal Code § 637.5**

8 **(On Behalf of Plaintiffs and the Nationwide Class and California Subclass)**

9 43. Plaintiffs repeat the allegations contained in the foregoing paragraphs as
10 if fully set forth herein.

11 44. Plaintiffs bring this claim individually and on behalf of the members of
12 the Class and Subclass against Defendant.

13 45. Under CIPA § 637.5(a)(1), “[n]o person who owns, controls, operates, or
14 manages a satellite or cable television corporation, or who leases channels on a satellite
15 or cable system” shall “[u]se any electronic device to record, transmit, or observe any
16 events or listen to, record, or monitor any conversations that take place inside a
17 subscriber’s residence, workplace, or place of business, without obtaining the express
18 written consent of the subscriber.”

19 46. Further, “[a]ny person receiving subscriber information from a satellite or
20 cable television corporation shall be subject to the provisions of this section.” CIPA §
21 637.5(h).

22 47. AT&T is a “cable television corporation” because it is a “corporation or
23 firm which transmits television programs by cable to subscribers for a fee.” Cal. Pub.
24 Util. § 216.4; CIPA § 637.5(f)(1). AT&T’s cable television offerings are well-
25 documented in its marketing materials.¹⁵

26 48. Invoca’s call tracking service provided to AT&T is an “electronic device”
27 for purposes of CIPA § 637.5(a)(1).

28

¹⁵ <https://www.att.com/bundles/>

49. Invoca is a separate legal entity that offers software-as-a-service (SaaS) and not merely a passive device. Accordingly, as an LLC, Invoca is a “person” for purposes of CIPA § 637.5(h) as defined under CIPA § 637.5(f)(3).

50. At all relevant times, Invoca listened, recorded, and/or otherwise monitored Plaintiffs and the other Class and Subclass members' conversations with AT&T that took place inside their residence, workplace, or place of business when they called AT&T's contact centers.

51. Plaintiffs and members of the Class and Subclass did not consent to any of Defendant's actions discussed above.

52. The violation of CIPA § 637.5 constitutes an invasion of privacy sufficient to confer Article III standing.

53. Pursuant to Cal. Penal Code § 637.2, Plaintiffs and Class Members have been injured by the violations of CIPA § 637.5, and each seeks statutory damages of \$5,000 for each of Invoca's violations of CIPA § 637.5.

PRAYER FOR RELIEF

WHEREFORE, Plaintiffs, individually and on behalf of all others similarly situated, respectfully requests that this Court enter a judgment against Defendant for the following relief:

- (a) For an order certifying the Class and Subclass, naming Plaintiffs as Class Representatives, and naming Plaintiffs' attorneys as Class Counsel to represent the Class;
- (b) For an order declaring that Defendant's conduct violates Cal. Penal Code § 637.5;
- (c) For actual, compensatory, statutory, and/or punitive in amounts to be determined by the Court and/or jury;
- (d) For prejudgment interest on all amounts awarded;

- 1 (e) For an order of restitution and all other forms of
2 equitable monetary relief;
- 3 (f) For injunctive relief as pleaded or as the Court may
4 deem proper; and
- 5 (g) For an order awarding Plaintiffs and the Class and
6 Subclass their reasonable attorneys' fees, expenses,
7 and costs of suit.

8 **JURY TRIAL DEMAND**

9 Plaintiffs demand a trial by jury on all causes of action and issues so triable.

10 Dated: February 14, 2025

Respectfully Submitted,

11 By: /s/ Eugene Y. Turin
12 Eugene Y. Turin

13 **McGuire Law, P.C.**

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